# GOVERNMENT OF INDIA
# CHEMICALS AND FERTILIZERS
# LOK SABHA

UNSTARRED QUESTION NO:2384
ANSWERED ON:04.12.2001
CUT IN THE RETENTION PRICES
PRABHUNATH SINGH

**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

(a) whether attention of the Government have been drawn to the news-item captioned Naye retention mulyon se urea ke sankat mai Urvarak Udyog in the Dainik Jagaran dated 8.11.2001;

(b) if so, whether it is a fact that his Ministry has issued a notification on 5.11.2001 according to which has been brought about a cut in the retention prices in respect of 13 fertiliser producing industries vis-Ã -vis reduction in the production of urea to the extent of 8 lakh tonnes as has been brought out in the said news; and

(c) the reaction of the Government thereto?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI S. B. MOOKHERJEE)

(a): Yes, Sir.

(b)&(c): In order to contain the outflow of subsidy and fix the consumption norms at the realistic level, Government has revised the consumption norms of the urea units on interim basis w.e.f. 1.4.2000. These consumption norms are based on the actual levels achieved in 1999-2000, or the existing level, whichever is lower. The retention prices have also been revised correspondingly, ad interim. This revision has led to reduction in retention prices in respect of some units. Such revision is, however, only an interim arrangement and is subject to the decision of the Government on the policy parameters for VII and VIII pricing periods which will include consumption norms also, and will be effective from 1.7.1997. Government does not expect any significant fall in production of urea on account of interim revision of consumption norms. However, Government is monitoring the availability vis-Ã -vis demand of urea and will take suitable steps to ensure that there is no significant gap between the demand and supply of urea.